

Office of the City Manager

CONSENT CALENDAR June 11, 2013

To:

Honorable Mayor and Members of the City Council

From:

Christine Daniel, City Manager

Submitted by: Robert Hicks, Director, Finance Department

Subject: FY 2014 Tax Rate: Fund Emergency Services for the Severely Disabled

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2014 tax rate for funding the provision of emergency services for the disabled at \$0.01303 (1.303 cents) per square foot of improvements.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.01303 will result in estimated collections of \$1,022,302 for the fund. The increase in the tax rate of \$0.000635 per square foot will result in a \$1.20 annual increase for the citywide average 1900 square foot home.

CURRENT SITUATION AND ITS EFFECTS

The FY 2013 tax of \$0.01240 is being adjusted by the personal income growth in California of 5.12% (or \$0.000635), as the voters approved the greater of that growth or the annual cost of living increase of 2.381% in the immediate San Francisco Bay Area.

It is recommended that the City Council authorize the levy of a special tax of \$0.01303 per square foot of all improvements in the City of Berkeley. The tax will result in a cost to taxpayers in the following average amounts during Fiscal Year 2014, as compared with amounts for FY 2013:

	Annual Tax			
Square Feet	FY 2014	FY 2013		
1,200	\$15.64	\$14.88		
1,500	19.55	18.60		
1,900	24.76	23.56		
3,000	39.09	37.20		
3,900	50.82	48.36		
10,000	130.30	124.00		

BACKGROUND

The Emergency Services for the Severely Disabled Tax (Measure E) was passed by the voters in November 1998. The tax is used to provide emergency services and incidental case management for severely physically disabled persons. The City Council is authorized to increase the tax rate by the greater of the cost of living in the immediate San Francisco Bay Area or personal income growth in the state. On November 6, 2012, over 89% of Berkeley voters approved Measure P to re-authorize the City, for a period of four (4) years through FY 2016, to spend the emergency services for the severely disabled tax.

ALTERNATIVE ACTIONS CONSIDERED

The City Council may consider increasing the tax rate by the annual cost of living increase of 2.381% in the immediate San Francisco Bay Area. This would result in estimated collections of \$995,665, and an increase of \$.57 for the citywide average 1900 square foot home.

CONTACT PERSON

Robert Hicks, Director, Finance Department, 981-7300

Attachments:

1: Ordinance

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2014 SPECIAL TAX RATE TO FUND EMERGENCY SERVICES FOR THE SEVERELY DISABLED IN THE CITY OF BERKELEY

BE IT ORDAINED by the Council of the City of Berkeley as follows:

<u>Section 1.</u> The FY 2014 Tax Rate to fund emergency services for severely disabled persons is set at \$0.01303 per square feet of improvements.

<u>Section 2</u>. The cost to taxpayers during FY 2014 will be \$15.64 for a 1,200 square foot home and \$39.09 for a 3,000 square foot home.

Section 3. This tax rate will result in estimated total collections of \$1,022,302.

<u>Section 4</u>. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of Old City Hall, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.